IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No.175 of 1995

For Approval and Signature:
HONOURABLE MR.JUSTICE D.A.MEHTA Sd/-

HONOURABLE MS.JUSTICE H.N.DEVANI Sd/-

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1	Whether Reporters of Local Papers may be allowed to see the judgment ?
2	To be referred to the Reporter or not ?
3	Whether their Lordships wish to see the fair copy of the judgment ?
4	Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?
5	Whether it is to be circulated to the civil judge ?

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COMMISSIONER OF INCOME TAX - Applicant(s)
Versus
SAHYOG INVESTMENT PVT.LTD. - Respondent(s)

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Appearance :
MR MANISH R BHATT for Applicant(s) : 1,
MR BD KARIA for MR RK PATEL for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE D.A.MEHTA
and
HONOURABLE MS.JUSTICE H.N.DEVANI

Date : 22/12/2005

ORAL JUDGMENT

(Per : HONOURABLE MS.JUSTICE H.N.DEVANI)

1. The Income Tax Appellate Tribunal, Ahmedabad Bench “C”, has referred the following question under Section 256(1) of the Income-tax Act, 1961 (the Act) at the instance of the Commissioner of Income-tax :

> "Whether, the Appellate Tribunal is right in law and on facts in deleting the addition of Rs.1,66,084/- being addition made on account of interest on accrual basis ?"

2. The Assessment Year is 1986-87 and the corresponding accounting period is the year ended on 30th June, 1985.

3. Heard Mr.M.R.Bhatt, learned Senior Standing Counsel on behalf of the applicant-revenue, and Mr.B.D.Karia, learned advocate on behalf of the respondent-assessee.

4. The learned advocates appearing for the respective parties have jointly requested the Court to take up the matter, despite the fact that one of us (D.A.Mehta, J) had appeared on behalf of the assessee before the Commissioner (Appeals), in view of the fact that the case is covered by a judgement delivered by this Court in another matter. Pursuant to the special request made by the learned advocates, the matter was taken up for hearing.

5. It is an admitted position, as stated by the learned advocates appearing for the respective parties, that the controversy in issue in the present case stands concluded by a decision of this Court rendered in assessee's own case for Assessment Year 1985-86 in Income Tax Reference No.112 of 1994, on 29th September, 2005 wherein this Court had followed its earlier decision rendered in Income Tax Reference No.110 of 1990 on 10th July, 2002 and answered the question in favour of the assessee. For the reasons stated in Income Tax Reference No.110 of 1990 and Income Tax Reference No.112 of 1994, the question referred is answered in the affirmative i.e. in favour of the assessee and against the revenue.

6. The reference stands disposed of accordingly, with no order as to costs.

Sd/-
[D.A. MEHTA, J]

Sd/-
[H.N. DEVANI, J]

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*Bhavesh**